

2010 Military Health System Conference

Agile Procurement in a Resource Constrained Environment

Sharing Knowledge: Achieving Breakthrough Performance

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Overview



- Acquisition's Role in Achieving Success for the MHS
- What Does TMA Purchase?
- TMA Organization
- TMA's Acquisition Reform Initiatives
 - ✓ Organizational Alignment
 - ✓ Policy and Process Integration
 - ✓ Process Improvements
- Acquisition Workforce
 - ✓ Current Trend
 - ✓ Workforce Development Strategy
 - ✓ TMA Acquisition Career Management (ACM)
 - ✓ TMA Acquisition Workforce
 - ✓ ACM Implementation Strategy
- Summary

What Does TMA Procure?



- Over \$50 Billion* in Existing Purchased Care Contracts
- Over \$3 Billion* Non-Purchased Care Contracts
- Awards and Administers the TRICARE Contracts for Services, Systems, and Products relating to:
 - ✓ Health Care
 - ✓ Dental Care
 - ✓ Pharmacy Care
 - ✓ Information Technology
 - ✓ Analytical and Support Services
 - ✓ Infrastructure
 - ✓ Managed Care Support
 - ✓ TRICARE Quality Monitoring Contract
 - ✓ TRICARE Fraud and Abuse Pharmacy Support Services
 - ✓ TRICARE Dental Program
 - ✓ Smoking Cessation
 - ✓ Military Health Risk Management
 - ✓ TRICARE Claims Audit Review
 - ✓ TRICARE Overseas Program
 - ✓ Defense Systems Integration, Design, Development, Operation, and Maintenance Services (D/SIDDOMS 3)
 - ✓ TRICARE Evaluation, Analysis, and Management Support (TEAMS)
 - ✓ TRICARE – Acquisition, Automation, and Resource Management Support (T/AARMS)

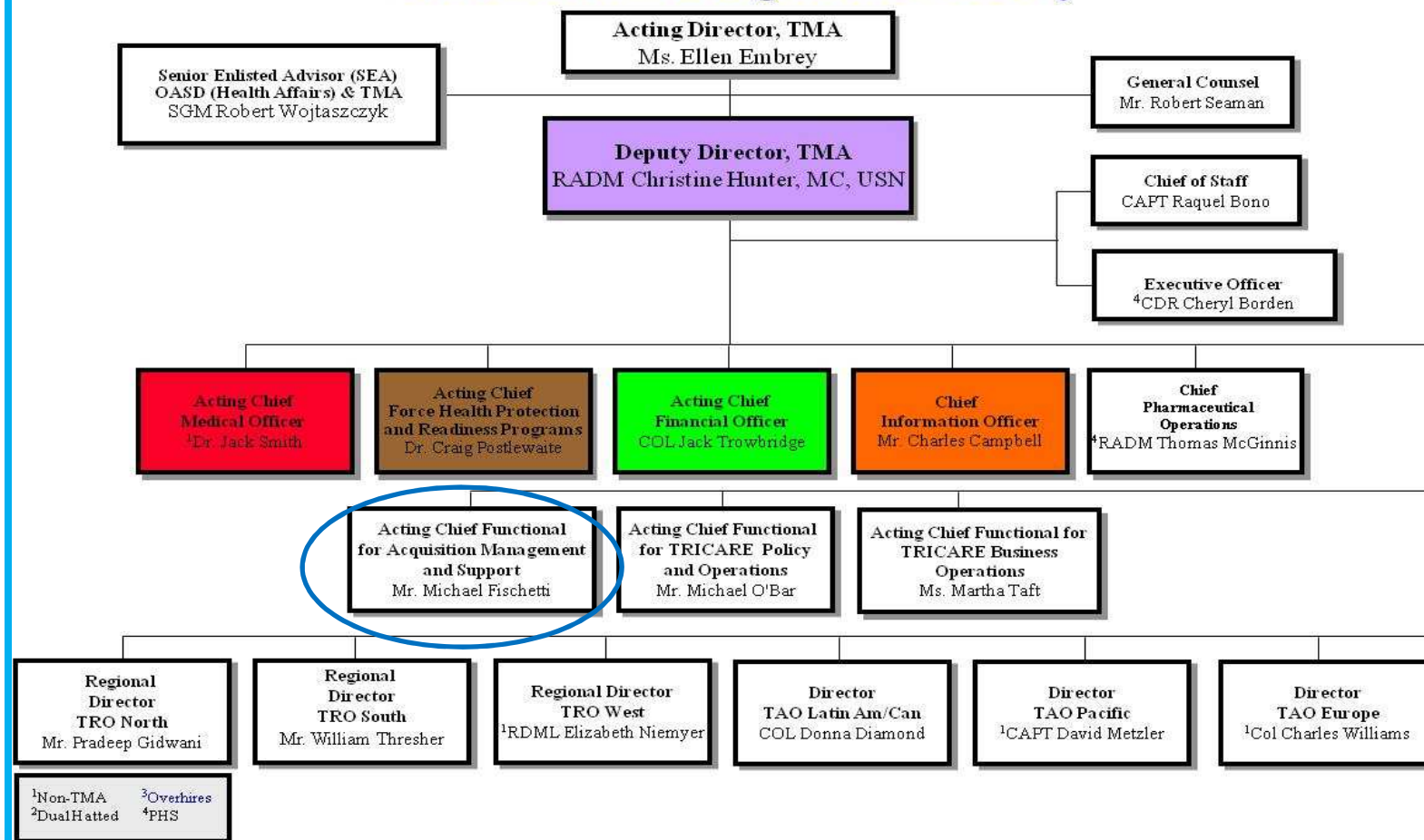
* Includes base plus options

TMA Organization



Organizational Structure TRICARE Management Activity

As of November 30, 2009





TMA Acquisition Reform Initiatives

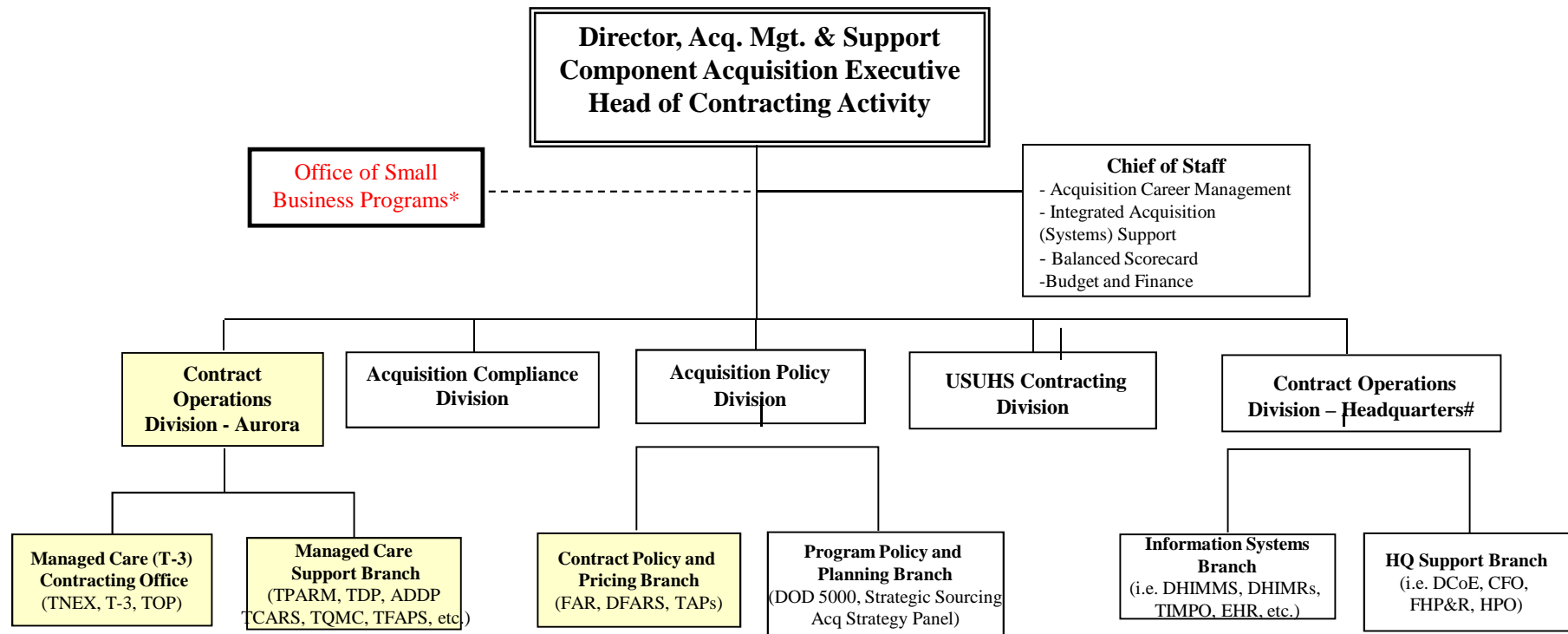
Organizational Alignment

- Head of Contract Activity (HCA) is the Director of AM&S, per TMA Charter
- Component Acquisition Executive (CAE) Delegation from TMA Director
- Establish HQ Organic Contracting Capabilities
- Establish Office of Small Business Programs
- Establish Acquisition Management Board
- Establish Property Management
- Integrate Acquisition Organizations and Responsibilities across TMA

TMA Acquisition Process Improvement Initiatives



Acquisition Management & Support Directorate To-Be Structure+



*reports to TMA Deputy Director
supervised by Director, AM&S
#Includes Program Support teams
+subject to change

TMA Acquisition Process Improvement Initiative



Organizational Alignment (Continued)

- ASD(HA)/ TMA Director delegated CAE duties, January 2010
 - Special Assistant to ASD(HA)/Director TMA
 - Implements acquisition policy and best practices (DPAP, NII, DODIG, GAO, OFPP)
 - Ensures proper program risk assessment and analysis
 - Milestone Decision Authority for ACAT II
 - Promotes Strategic Sourcing of MHS Requirements

TMA Acquisition Process Improvement Initiatives



Organizational Alignment (Continued)

- Director, AM&S, delegated CAE (Continued)
 - Performs oversight and advocacy within DoD for entire component, programs and general acquisition activities
 - Assists with development of acquisition strategy and plans for major acquisitions
 - Ensures training and qualifications of the acquisition workforce
 - Chairs Acquisition Management Board (AMB)

TMA Acquisition Process Improvement Initiatives



Organizational Alignment (Continued)

- Chairs Acquisition Management Board (AMB) – (Continued)
 - New Corporate Oversight mechanism of TMA Policies and Processes
 - Oversees High Visibility/Politically Sensitive Acquisitions
 - Ensures Configuration Control of Requirements IAW DoD 5000
 - Promotes and Supports Incorporation of corporate views and functional Interests before vetting outside TMA

Acquisition Management Board



Acquisition Management Board (AMB)
Component Acquisition Executive (CAE), Chair
TMA Deputy Director
TMA Chief Functional Officers/PEOs
USUHS
DCOE
OGC (As Advisor)

Strategy

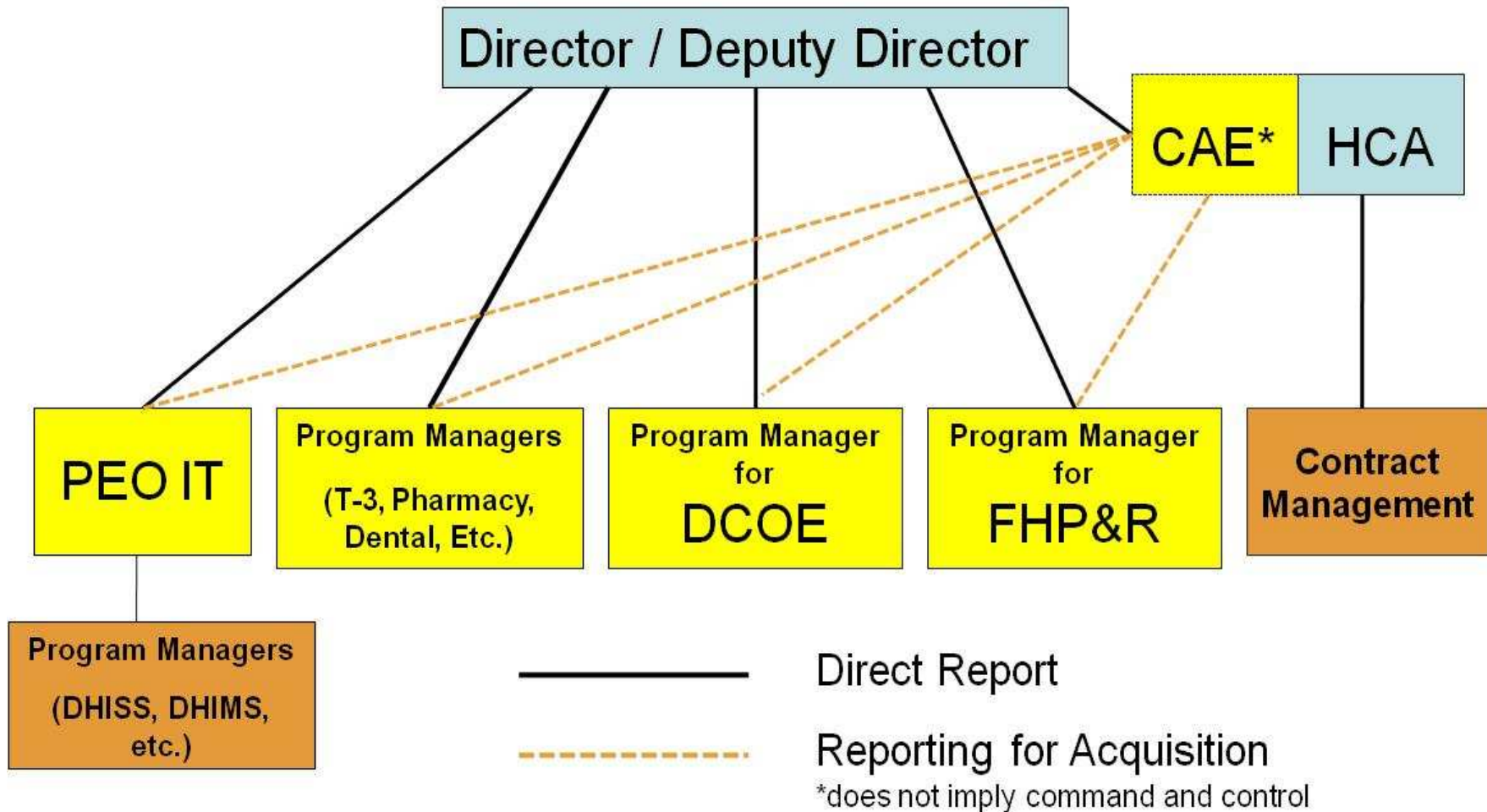
- Approvals
- Decisions
- Requirements Validation
- Configuration Management
- Governance, and Acquisition Guidance

- Enterprise Acquisition Strategies
- Strategic, mission or functional priorities
- Mandates/must pays
- Follow-on, continuation of work initiated
- Approving acquisition plans for requirements
- Capturing best practices/lessons learned
- Health Executive Council
- Strategic partnerships (VA, HHS)
- In-sourcing conversion plans
- Procurement Integrity

TMA Acquisition Process Improvement Initiative to become a HPO- Continued



Required Acquisition Leadership & Management Positions



TMA Acquisition Process Improvement Initiatives - Continued



Policy and Process Integration

- Acquisition Process Integration
 - Integrated AM&S organizations in Aurora and Falls Church supporting TRICARE
 - One acquisition process for both “Purchased Care” and “Non-Purchased Care”
 - Drafting and Updating Policy and Procedural Guidance
 - Customer Focused
 - Consistency and Uniformity between Purchased Care and Non-Purchased Care
 - Conformance with FAR, DFAR, DoD 5000

TMA Acquisition Process Improvement Initiatives - Continued



Process Improvements

Accomplished:

- Industry Forums Town Hall Meetings with PMs, COR, and Vendors
- Acquisition/Contract Administration Summit in Aurora
- AM&S Off-site
 - Created initial set of AM&S Balanced Score Card Initiatives linked to MHS and P&R Strategic Plan, using GAO criteria for healthy acquisition processes

On-going and still to come:

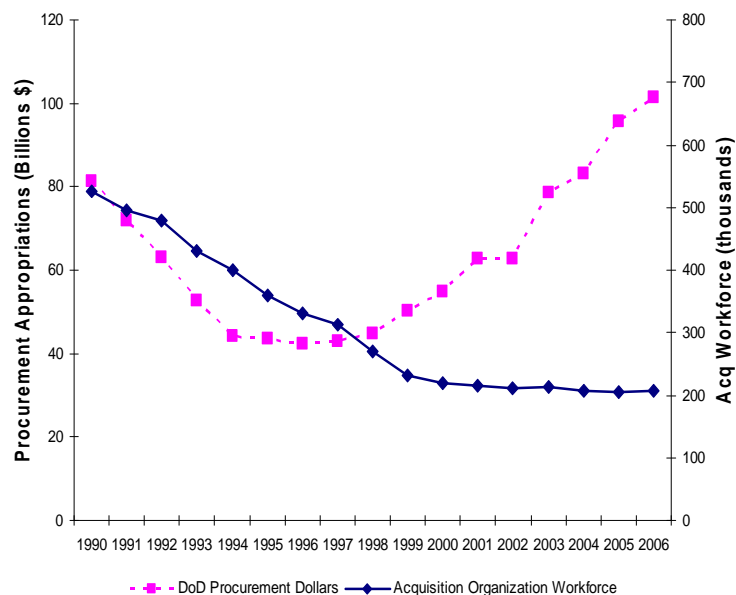
- Code, certify and track Acquisition Workforce
- Acquisition Management Board
- Establish HQ Organic Contracting Capabilities
- Conduct Internal Contract Reviews
- Draft and Update Acquisition Policy and Guidance Documents
- Create a Property Management Function
- Update AM&S Website
- Create an Office of Small Business Programs
- Simplified and strengthened policy for Acquisition of Non-purchased Care Services

Acquisition Workforce



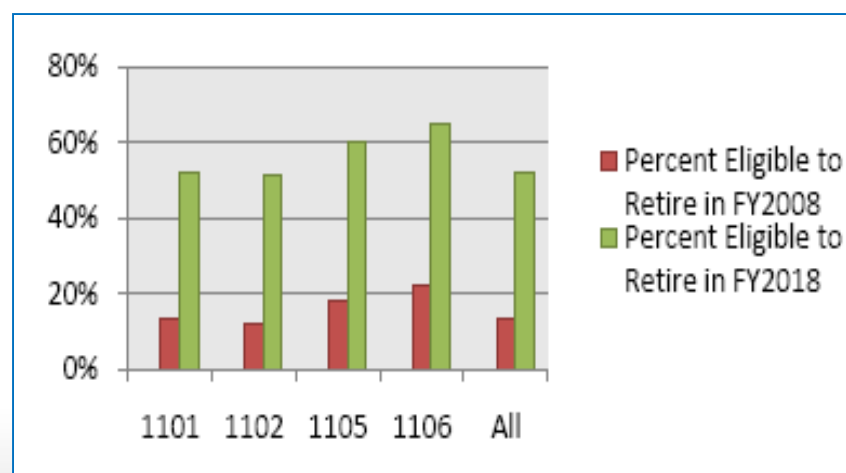
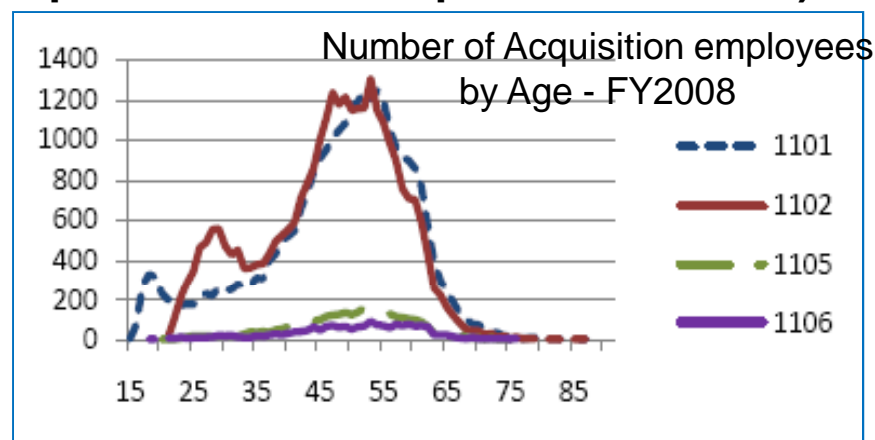
Current Trends

- Acquisition Workforce Declined Even as Procurement Appropriations Increased (1990-2006 – Source: DoD IG Report D-2000-088 Feb 29, 2000 * DoD IG Report D-2006-073 April 17, 2006)



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- Trend expected to continue (FY2009 Annual Report - Federal Acquisition Institute)



Acquisition Workforce (Continued)



Current Trends (Continued)

Acquisition Workforce At a Glance FY2009*

	General Business and Industry (GS-1101)	Contract Specialist (GS-1102)	Purchasing (GS-1105)	Procurement Clerical and Assistance (GS-1106)	PPM	COTR	TOTAL
Population	29,945	29,707	3,186	1,776	9,826	16,560	91,000
Total, DoD	12,975	19,786	997	1,235	8070	N/A	43,063
Total, Civilian Agencies	16,970	9,921	2189	541	1,756	16,560	47,937
Average Grade ¹	9.29	11.65	7.11	6.24	12.74	12.54	10.89
Average Age	47.11	46.26	49.25	49.92	49.91	50.03	47.80
Percent Female	57%	60%	71%	81%	34%	40%	53%
Percent Eligible to Retire in FY2008	13%	13%	18%	22%	19%	21%	15%
Percent Eligible to Retire in FY2018	52%	52%	60%	65%	70%	52%	54%
Percent College Graduates	38%	76%	15%	11%	74%	71%	59%
Members, Senior Executive Service	107	92	0	0	136	18	353

*FY2008 Annual Report on the Federal Acquisition Workforce

Acquisition Workforce (Continued)



Workforce Development Strategy

- Training contributes to better managed acquisitions and outcomes.
- Customer satisfaction from acquisition of supplies and services directly correlates to quality of requirements development (technical and cost) and excellent contract execution
- Key positions in acquisition must be appropriately assessed for proper training and DAWIA certification

Acquisition Workforce (Continued)



Acquisition Career Management

- TMA has committed to develop an agile and capable acquisition workforce
- Hired an Acquisition Career Manager (ACM)
- Goal to achieve close to 100% Defense Acquisition Workforce Improvement Act (DAWIA) certification
- ACM working with AT&L and DAU to tailor training to address TMA unique (Healthcare) vs. traditional weapons system acquisition
- Developing an intern program to address demographic trends and succession planning

Acquisition Workforce (Continued)



Implementation Strategy

- Review position descriptions
- Interview employees and managers
- Designate the position as acquisition or not
 - Determine proper certification level for that position and career field
- Assist and ensure TMA acquisition workforce members certified to DAWIA:
 - Attain appropriate education, training, and experience

Acquisition Workforce (Continued)



TMA Acquisition Workforce

As of January 2009:

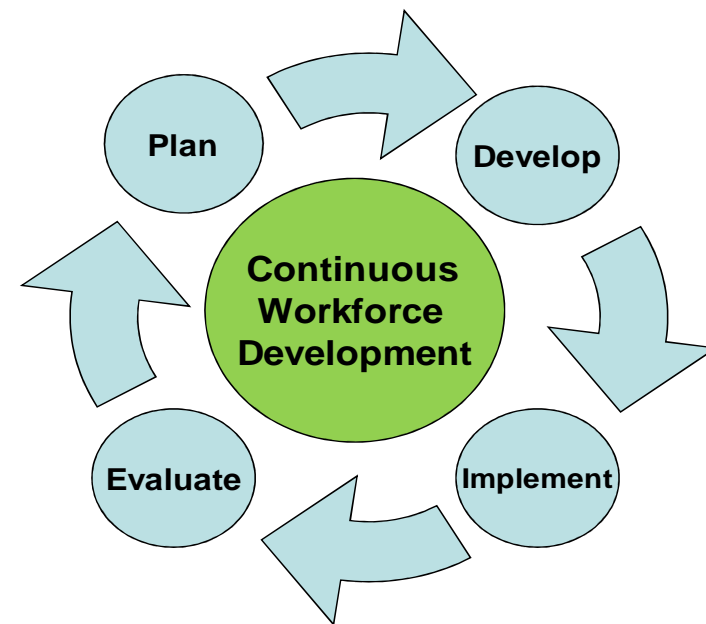
- Population of TMA Civilians
 - +/- 680 excluding USUHS (PBFY 2009)
- 146 Acquisition Workforce (as of Jan 2009)
- 107 DAWIA coded positions
 - 41 Program Management
 - 39 Contracting
 - 8 Financial Management
 - 11 Information Technology
 - 6 SPRD&E
 - 1 Test & Evaluation
 - 1 Quality Assurance

Acquisition Workforce (Continued)



TMA ACM Implementation Strategy (Continued)

- Employ a holistic approach to TMA workforce development
 - Recruitment
 - Retention Program
 - Internship Program
 - Leadership Development
 - Mentoring Program
 - Succession Planning



Acquisition's Role in Achieving Success for the MHS



- Creating an Acquisition culture and awareness in the MHS
 - Understanding and appreciation of the significance of Acquisition within the MHS
 - Not personality driven
- Requires organization, policies, processes, and human capital working together
- Ethics and Professionalism
- Transparency in policies, processes and opportunities

Summary



- Implementation of Mission Focused organizational alignment and culture
- Investment in human capital development
- Improved Acquisition across the MHS
- Acquisition, while rule-bound, is the enabler to success
- Results in competition, lower cost, and better healthcare for our beneficiaries to Attain "Procurement Agility in a Resource Constrained Environment"